

June 16, 1998

TO: Members of the MAG Regional Council

FROM: Mayor Elaine M. Scruggs, Glendale, Chairman

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA

Meeting - 5:00 p.m.

Wednesday, June 24, 1998

Hyatt Regency Hotel - Curtis Room, 2nd Floor (see enclosed map)
122 North 2nd Street, Phoenix

Awards Reception/Dinner - 6:00 p.m.

Hyatt Regency Hotel - Regency Ballroom, 1st Floor

Parking is available in the garage south of the Hyatt Hotel. Parking will be validated by the Hotel. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip.

The next Regional Council meeting will be held at the Hyatt Hotel at the time and place noted above. This meeting will be held in conjunction with the First Annual Desert Peaks Awards dinner. Please note that the Awards Reception/Dinner will begin at 6:00 p.m. Members who wish to remove any items from the Consent Agenda are requested to contact the MAG office. The Desert Peaks Awards reception will begin at 6:00 p.m. and the dinner is scheduled to begin at 7:00 p.m. MAG will host the reception/dinner for the Regional Council members. Reservations for additional individuals to attend the dinner can be made by contacting the MAG office before June 19, 1998. Supporting information is enclosed for your review.

If you have any questions, please call the MAG office.

**MAG REGIONAL COUNCIL
TENTATIVE AGENDA
June 24, 1998**

COUNCIL ACTION REQUESTED

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| <p>1. <u>Call to Order</u></p> <p>2. <u>Pledge of Allegiance</u></p> <p>3. <u>Approval of May 27, 1998 Meeting Minutes</u></p> <p>4. <u>Call to the Audience</u></p> <p>An opportunity will be provided to members of the public to address the Regional Council for items that are not included on the agenda. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit.</p> <p>5. <u>Executive Director's Report</u></p> <p>The MAG Executive Director will provide a report to the Regional Council on activities of general interest.</p> <p>6. <u>Approval of Consent Agenda</u></p> <p>Prior to action on the consent agenda, members of the audience will be provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Council members may request that an item be removed from the consent agenda. Consent items are marked with an asterisk.</p> | <p>3. Review and approve May 27, 1998 meeting minutes.</p> <p>4. For information.</p> <p>5. For information and discussion.</p> <p>6. For information, discussion and approval of the Consent Agenda.</p> |
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*ITEMS PROPOSED FOR CONSENT

TRANSPORTATION ITEMS

*7. Requested Changes to the MAG Freeway Program

The Arizona Department of Transportation (ADOT) has requested changes to the Draft Tentative 1999-2006 Life Cycle Regional Freeway Program. The changes that meet the definition of material change are listed on the schedule. The material changes include cost changes that exceed the five percent limit and a number of added projects. The additional projects are needed to complete utility relocation work on the Agua Fria and Pima Freeways and for the drainage project on the San Tan Freeway. The significant cost changes include an increase of \$4.3 million for the I-10 to Encanto segment and \$4.4 million on the Encanto to Camelback segment, both in the Agua Fria Corridor. Advanced design work on each section has identified these increased costs to complete. Utility construction work on the Pima Freeway, required as part of the right-of-way agreement with the Salt River Pima-Maricopa Indian Community, has resulted in a new project of \$5.7 million being added to the program. The budgets for Preliminary Engineering and Design Change Orders are being increased by \$1.9 million and \$500,000, respectively. MAG is recommending approval of the requested changes. The Management Committee concurred with this recommendation. Please refer to the enclosed material.

7. For information, discussion and approval of the requested material changes.

GENERAL ITEMS

*8. Articles of Incorporation to Establish the Maricopa Association of Governments Information Center as a Subsidiary of MAG

In May, the Regional Council approved the concept of establishing the Maricopa Association of Governments Information Center (MAGIC) as a subsidiary of MAG. Through this subsidiary, specialized information and services to member agencies, private sector businesses and individuals and other public sector agencies would be provided. The resources and activities associated with MAGIC would be administered by the Executive Director of the Maricopa Association of Governments. The governing board of the

8. For information, discussion and approval of the Articles of Incorporation establishing the Maricopa Association of Governments Information Center as a subsidiary of MAG.

enterprise would be the Regional Council Executive Committee. There would also be an advisory board established. The Articles of Incorporation establishing MAGIC as a subsidiary of MAG were recommended for approval by the Management Committee. Please refer to the enclosed material.

ITEMS PROPOSED TO BE HEARD

GENERAL ITEMS

9. MAG Annual Financial Audit and Single Audit and Management Letter for the Fiscal Year Ended June 30, 1997

The public accounting firm of Deloitte & Touche LLP has completed the MAG Annual Financial Audit and Single Audit for the fiscal year ended June 30, 1997. An unqualified audit opinion was issued on April 29, 1998 on MAG's general purpose financial statements and on the combining and individual financial statements taken as a whole. The independent auditors' report on compliance with the requirements applicable to major federal award programs expressed an unqualified opinion on the Single Audit. The Single Audit report also indicated there were no reportable conditions in MAG's internal control over financial reporting considered to be material weaknesses, no instances of noncompliance considered to be material and no questioned costs. The Single Audit report provided five procedural findings aimed at improving MAG's financial management. These findings are not considered to be material. During FY 1998, MAG has either resolved, or is in the process of addressing, each of these findings.

A management letter was also issued under separate cover dated April 29, 1998. The letter provides recommendations to strengthen and improve areas of MAG's financial operations. There were no material weaknesses cited in the management letter. During FY 1998, MAG has either resolved, or is in the process of addressing, each of the management letter comments.

This audit was prepared using standards adopted by the Government Finance Officers Association. These standards were implemented to provide a

9. For information, discussion and acceptance of the MAG Annual Audit for the year ended June 30, 1997.

higher level of financial reporting for MAG. With improvements expected in FY 1999, it is anticipated that the audit for the period ending June 30, 1998 will be completed by December 1998. The Management Committee recommended acceptance of the MAG Annual Audit for the year ended June 30, 1997. Please refer to the enclosed material.

10. Election of Officers

The MAG Nominating Committee has recommended a slate of officers for 1998-1999. The MAG officer positions are Chairman, Vice Chairman and Treasurer. In accordance with the MAG Nomination Process, one At-Large member and the Past Chairman were also nominated. Please refer to the enclosed material.

10. For information, discussion and election of the Regional Council officers: Chairman, Vice Chairman and Treasurer and one At-Large Member and the Past Chairman of the Regional Council as members of the Executive Committee.

STUDY SESSION ITEM PROPOSED TO BE HEARD

11. Overview of Transportation Equity Act for the 21st Century

On May 22, 1998, Congress passed the Transportation Equity Act for the 21st Century (TEA-21). This six-year public works bill will provide more than \$215 billion for the nation's highways, bridges and mass transit systems. In the bill, \$173 billion is provided for highways, \$41.4 billion for transit, and \$2.2 billion for highway safety. Of the total amount, approximately \$200 billion is guaranteed for highway, transit and safety spending. The bill preserves the role for Metropolitan Planning Organizations and local decision-making in planning and programming funds for metropolitan areas. On June 9, 1998, the bill was signed by President Clinton. Initial information released from the Federal Highway Administration indicates that Arizona's annual average share of transportation spending will increase from \$256 million to \$403 million. This accounts for a 57 percent increase in transportation funding to Arizona over the next six years. An overview of the bill will be presented to the Regional Council. Please refer to the enclosed material.

11 For information and discussion.